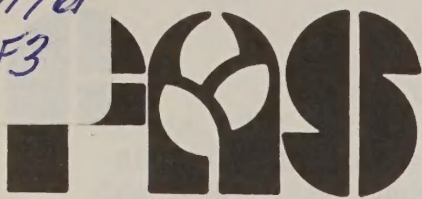


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REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 17-82

WASHINGTON, April 28--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

ARGENTINA's grain movement to date appears to be on target despite concerns that the dispute over the Falkland Islands might adversely impact on Argentine shipping. The coarse grain marketing year began in March, and although corn movement was somewhat delayed because of late rains that disrupted harvesting and movement to ports, April exports were comparable to last year. In fact, total coarse grain movement through April 22 reached more than 2.1 million tons and may exceed last year's 2.4 million by the end of the month.

Argentine wheat exports thus far in the marketing year (Dec.-Nov.) have already reached 3.4 million tons, about 20 percent above last year's movement during the same period. Current projections place Argentine wheat exports at 3.8 million tons, approximately the same level as last year. Although shipments seem to be on schedule, there is some concern about future Argentine grain sales. Sales activity had subsided somewhat prior to the Falkland Islands dispute, and currently there is little activity and no expectations for the situation to change in the near future. Buyers are expected to remain cautious, and a prolonged dispute might have an adverse effect on Argentine grain exports.

Labor disputes in AUSTRALIA have interrupted planned shipping levels to the point that current July-June export flows are not likely to exceed last year's 10.6 million-ton level, according to recent field reports. In 1980/81, a seriously reduced, drought-stricken crop resulted in disappointing July-June export movement. This year, export flows averaged only about 560,000 tons per month during July-December, about 30 percent below last season's slow pace. Despite considerable improvement in January and February, and reports of near-record level of exports in March, sustained heavy movement will be necessary through the April-June quarter just to match last year's export level. The 1 million-ton lag in the shipping program experienced in December-February also makes the Australian Wheat Board export target of 13 million tons for the 1981/82 marketing year (Dec.-Nov.) appears overly optimistic.

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OILSEEDS AND PRODUCTS

BRAZIL recently released official soybean import data for calendar 1981. These imports were under drawback, requiring soybeans to be crushed and the products to be exported. The data are as follows in 1,000 tons:

<u>Origin</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Argentina	78.5	272.3	259.6
Paraguay	86.7	159.6	572.8
Uruguay	1.8	9.2	21.4
United States	46.5	19.4	77.5
Total	213.5	460.5	931.3

DAIRY, LIVESTOCK, AND POULTRY

EGYPT's total poultry meat production is continuing the upward movement of recent years, as Egyptians strive for self-sufficiency in the broiler sector. Poultry meat production in 1981 expanded 13 percent above 1980, and is expected to grow by 16 percent in 1982. Egg production grew 4 percent in 1981, and a 6 percent increase is anticipated for 1982.

The slower rate of growth in egg production results from structural differences between the egg and broiler sectors. Broilers are produced on specialized farms with good management and disease control techniques. The bulk of Egypt's egg production, on the other hand, comes from village flocks, where use of native poultry breeds and poorer management techniques reduce productivity.

Egypt, the second largest market for U.S. poultry products in 1981, suspended all imports of frozen poultry meat and eggs in February 1982. Egypt is expected to resume importing poultry following improvement in storage and distribution procedures for the increased volume of frozen products.

The AUSTRALIAN Meat and Livestock Corporation (AMLC) recently reduced its projections on cattle herd growth and beef output through 1986. According to AMLC projections, the national cattle herd in early 1986 will be only 1 million head larger than the 1982 level of 24.7 million head. Beef production in 1986 is projected to approximate the 1981 level of 1.4 million tons. The AMLC projects steady growth in sheep numbers and sheepmeat production. Sheep numbers in early 1986 are projected to be nearly 9 million head above the 1982 level of 135.9 million. Mutton and lamb production is projected to be nearly 12 percent above the 1981 level of 520,000 tons.

COTTON

The SOVIET UNION's 1982 cotton season got off to a slow start due to a late spring. The sowing pace reportedly has been delayed by approximately a week. However, cotton sowing is progressing faster than last year in most areas. Moreover, Soviet officials are predicting that a smaller area will have to be reseeded this year. Indications are that total cotton area sown in 1982 will be about the same as last year.

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During the past several years, annual area increases averaged in excess of 1 percent. If favorable weather prevails, this year's plan, which calls for greater emphasis on improving yields and quality, could produce a crop exceeding the target of 13.4 million bales. However, less than adequate snow coverage has raised concern about sufficient irrigation water supplies in Kirgiz S.S.R.

CHINA's cotton production and area could be larger in 1982, based on limited provincial information. Following last year's pattern, most of this increase is expected in North China, which accounted for approximately 43 percent of China's cotton production last year. Greater emphasis on fertilizer usage and improved management techniques could result in higher yields. If area increases do occur, they will be largely at the expense of grain crops.

TURKEY recently established minimum export prices for cotton yarn to be shipped to European Community (EC) countries, effective April 14, 1982. The minimum export prices per kilogram for cotton yarn made from Aegean and Cukurova cotton are:

<u>Count</u>	<u>Aegean Cotton</u>	<u>Cukurova Cotton</u>
NE 16/1	US\$2.44	US\$2.30
NE 20/1	US\$2.53	US\$2.38

Although cotton yarn exporters favor the decision, they are concerned that the EC's 12 percent anti-dumping tax could create difficulties. They are hopeful that the minimum export prices will be accepted in the EC and that the anti-dumping tax will be lifted. The prices established by the Turkish Government are reportedly substantially below the level proposed by the EC during negotiations prior to April 4, 1982. While Turkish exporters do not expect a significant increase in volume of yarn exports, they feel that with the minimum price, the export value will increase.

Prior to the establishment of minimum export prices for cotton yarn for shipments to the EC, some exporters claimed that they could not compete with other suppliers and requested the Turkish Government to subsidize yarn exports. The Government responded quickly, increasing the export tax rebate for cotton yarn (more than 50 percent cotton) from 5 to 10 percent of the f.o.b. export value, effective April 18, 1982.

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HONG KONG has banned imports of Argentine cotton as a result of the Falkland Islands dispute. During 1981, Hong Kong imported 20,000 bales of cotton, valued at \$8 million, from Argentina. Trade reports indicate Hong Kong spinners have already turned to Pakistan as an alternative source of cotton, but the quality selection is restricted. Since virtually no coarse count cotton is available from the USSR, Turkey or Brazil, interest has turned to U.S. Texas cotton.

Two textile mills in the UNITED KINGDOM will be closed by Courtaulds Ltd., the country's largest textile group. Both mills--the Majestic Mill in Oldham and Victor Mill in Stalybridge--were modernized about 7 years ago to accommodate demand for carded cotton yarn. However, the market has dwindled as a result of large imports of yarn and finished fabric, as well as the closure of several knitters and weavers that were some of Courtaulds major customers.

TOBACCO

The DOMINICAN REPUBLIC's cigar production reached 45 million pieces in 1981, up 13 percent from the 1980 level of 40 million. For 1982, cigar production is estimated to reach about 50 million pieces. Cigar exports from the Dominican Republic reached 45 million and 40 million pieces in 1981 and 1980, respectively. The major markets were the United States and Western Europe. Dominican hand-rolled cigars have had excellent acceptance in the world market, and as a result, exports are likely to continue to increase, reaching roughly 50 million pieces in 1982. Poor Cuban tobacco crops opened the door for Dominican cigars in certain European markets, which were not available before.

During 1981, YUGOSLAVIA's tobacco industry produced a record 64.5 billion cigarettes, an increase of 9 percent over 1980 and 7 percent above the previous record in 1979. Despite rising production, per capita consumption of cigarettes has declined since 1979, reportedly because of significantly increased retail prices. However, there were rather sharp increases in cigarette exports during 1981, according to the Yugoslav tobacco industry. Preliminary data indicate that a total of 9.5 billion pieces of cigarettes were exported in 1981, compared with 4.0 billion in 1980. Prior to 1980, cigarette exports amounted to about 1.0 billion pieces annually. Major markets for Yugoslav cigarettes in 1981 were the Soviet Union, Poland and Czechoslovakia.

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SPAIN launched its first anti-smoking campaign April 15. Principal measures include bans in such areas as tobacco advertising in Government media, sales of cigarettes to minors, smoking in public transportation vehicles, and introduction of cigarettes containing more than 24 milligrams of tar and 1.8 milligrams of nicotine. In addition, warning label requirements on tobacco products for domestic consumption were introduced, as were separate smoking areas in public buildings and large commercial establishments.

HORTICULTURAL AND TROPICAL PRODUCTS

Cocoa bean grindings in the UNITED STATES during the first quarter of 1982 totaled 47,729 tons, down 4.5 percent from the revised first quarter 1981 grind of 49,955 tons. Chocolate liquor meltings amounted to 5,027 tons, 37 percent below the 7,991 tons processed during the same period a year earlier. Cocoa butter meltings, however, increased slightly to 8,546 tons from 8,536 tons during the first quarter of 1981.

RECENT FOREIGN AGRICULTURE CIRCULARS

World Cotton Situation, FC 5-82
World Grain Situation/Outlook, FG 12-82

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	April 27, 1982	Change from previous week	A year ago	
	\$ per m. ton	\$ per bu.	¢ per bu.	\$ per m. ton
Wheat				
Canadian No. 1 CWRS-12.5%.....	201.00	5.47	-5	1/
U.S. No. 2 DNS/NS: 14%.....	189.00	5.14	+2	214.00
U.S. No. 2 DHW/HW: 13.5%.....	203.00	5.52	+2	214.00
U.S. No. 2 S.R.W.....	176.00	4.79	+5	202.00
U.S. No. 3 H.A.D.....	183.00	4.98	+3	236.00
Canadian No. 1 A: Durum.....	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
Feed grains:				
U.S. No. 3 Yellow Corn.....	135.00	3.43	-1	165.50
U.S. No. 2 Sorghum <u>2/</u>	139.50	3.54	-12	166.00
Feed Barley <u>3/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	175.50
Soybeans:				
U.S. No. 2 Yellow.....	267.50	7.28	+15	317.50
Argentine 4/.....	265.00	7.21	+16	315.75
U.S. 44% Soybean Meal (M.T.)..	236.00	--	+8.50 <u>5/</u>	276.00
EC Import Levies				
Wheat <u>6/</u>	82.80	2.25	+15	70.55
Barley.....	78.70	1.71	+9	70.40
Corn.....	87.80	2.23	+2	71.15
Sorghum.....	87.10	2.21	+18	71.15

1/ Not available.

2/ Optional delivery: Argentine Granifero Sorghum.

3/ Optional delivery: Canadian Feed Barley.

4/ Optional delivery: Brazil Yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis May delivery.

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